

Strategic Water Supply Plan Ad Hoc Committee Meeting #6
Minutes
May 23, 2013
Multi-Purpose Room

Attendance

Ad Hoc Committee Members: Amanda Nairn, Andy Sherrer, Curtis McCarty, Jim Gasaway, Judith Wilkins, Lynne Miller, Mike Pullin, Roger Frech, Sandy Bahan, Stephen Tyler Holman

Councilmembers: Mayor Rosenthal, Robert Castleberry, Roger Gallagher

Public: Greg Heiple

Consultants: John Rehring and Amber Wooten with Carollo Engineers

Staff: Ken Komiske, Mark Daniels, Chris Mattingly, Charlie Thomas, Debbie Smith, Anthony Francisco, Gay Webb

Presentation

Mr. Komiske thanked Committee members for their input in the Strategic Water Supply Plan process to date and announced the fourth public meeting will be scheduled for some time in June.

Mr. Rehring, Carollo Engineers, recapped the twelve portfolios evaluated and described the top five. After further evaluation, Portfolio 8 was eliminated due to lowest weighted score among the top 5; Portfolio 9 was eliminated due to concerns with heavy reliance on groundwater and Portfolio 11 was modified to form a new Portfolio 13 to utilize raw water from Southeast Oklahoma with treatment at Norman facilities. The top three portfolios include:

- Portfolio 1 (P1) – a diverse portfolio that maximized local sources
 - Lake Thunderbird firm yield (6.1 mgd)
 - Existing wells treated (8.1 mgd)
 - Additional conservation (1 mgd)
 - Direct non-potable reuse (0.8 mgd)
 - Lake Thunderbird augmentation (13.1 mgd)
- Portfolio 2 (P2) - minimizes capital cost
 - Lake Thunderbird firm yield (6.1 mgd)
 - Existing wells treated (8.1 mgd)
 - Additional conservation (1 mgd)
 - Direct non-potable reuse (0.8 mgd)
 - Treated water from Oklahoma City (wholesale) (13.1 mgd)

- Portfolio 13 (P13) - a diverse portfolio with co-ownership in southeast Oklahoma Raw Water System
 - Lake Thunderbird firm yield (6.1 mgd)
 - Existing wells treated (8.1 mgd)
 - Additional conservation (1 mgd)
 - Direct non-potable reuse (.8 mgd)
 - Raw water from Oklahoma City (co-owner) (13.1 mgd)

Portfolio 1 has been modified slightly to eliminate new groundwater wells with an increase in supply from Lake Thunderbird augmentation (i.e., indirect potable reuse, IPR). Previously, new wells had been used to “bridge the gap” in supply until IPR could be brought online. However, continued use of Oklahoma City water in the interim can serve that purpose.

Portfolios 2 and 13 both look at long-term supply from Oklahoma City. In Portfolio 2, Oklahoma City finances capital investment and Norman is their wholesale customer. In Portfolio 13, Norman is a co-owner with Oklahoma City for capital infrastructure. Norman would finance their portion of the capital costs. Oklahoma City staff has indicated a strong preference for Norman being a co-owner in infrastructure.

All three recommended portfolios include: Lake Thunderbird at reduced firm lake yield, active and inactive existing wells with treatment, additional conservation, and additional non-potable water reuse. Each portfolio has strengths and weaknesses. Mr. Rehring discussed implementation timing, phasing and capital financing of the portfolios.

Questions

Mr. Rehring and Mr. Komiske responded to the following questions.

- Where would raw water be stored? Mr. Rehring responded it would be sent to Lake Stanley Draper and we would draw it to the new treatment plant.
- Can we treat water at a lower rate? Mr. Komiske replied we produce water cheaper than Oklahoma City does right now.
- Do you have a preferred method of financing any of the three portfolios? Mr. Francisco replied that would be a policy decision.
- How confident are you about the 6.1 mgd yield? Mr. Rehring stated the firm yield calculated by the Bureau of Reclamation assumes 100 years of siltation. The end of this period will occur in the mid-2060's. At that point, some rehabilitation costs can be expected. However, with what we know now, Norman's portion of the lake's firm yield is not expected to decrease within the current planning period.

- Have you looked at financing options? Mr. Rehring replied we have now grouped them into bond packages in 10 year increments.
- Reuse is a great option; do we have a timeline for political approval? Mr. Komiske responded we looked at initiating it in 2020. When we have regulatory clarity it could push certain things back. Mr. Rehring responded we think 2018 is a reasonable estimate for state regulations.
- Will we get a larger allotment if we augment Lake Thunderbird? Mr. Rehring replied yes, but we will have to work through the process.
- What about future siltation reducing water in 2060? Mr. Rehring answered yield calculations include 100 years of siltation already built into life of lake. Something will need to be done in 2060 or when it does reach its design life. At that point tough decisions will need to be made, possibly remove material or add to dam height.
- Can we guarantee water from Oklahoma City or will it only be given, if available. Mr. Rehring answered it would need to be written into agreement. Under the current contract between Norman and Oklahoma City, water is used “as needed” on an emergency basis – basically, treated water from Oklahoma City is used to meet a portion of Norman’s demands on the highest peak summer demand days. Under P2 and in the near term for P1 and P13, it is recommended that Norman switch to a different rate structure for wholesale water purchase. This results in a lower unit cost but requires a more constant water use pattern. (Norman would have to switch from using Oklahoma City water only when needed to meet Norman’s peak day demands to using Oklahoma City water regularly to meet a portion of Norman’s base water demand. Peak day demands would be met using local sources along with water from Oklahoma City.)
- When will 10% water reduction be lifted by Central Oklahoma Master Conservancy District (COMCD)? It is unknown when this reduction will be removed; however, COMCD is expected to discuss this at their next meeting at the end of May.
- Can we share treatment plant with Moore? This could be future consideration, but at this point, Moore purchases its water from Oklahoma City, therefore Moore has little interest in funding and building a new water treatment plant. However, this is a question to be discussed with Moore, should the interest arise.
- Can we be a customer of Oklahoma City and have other customers ourselves? The current SWSP does not include Norman supplying any wholesale customers, such as other cities or communities.

Comment made that issuing multiple bonds rather than one big bond seems to be the best financial approach to addressing the water needs through 2060.

Members recommended highlighting that the City of Norman cannot meet even its current water demands using only local sources, even in a normal year (i.e., one without Lake Thunderbird supply cut-backs). Norman is not just buying Oklahoma City water because of the current drought. Norman loses money on water purchased from Oklahoma City (because Norman's rates are less than what is paid for Oklahoma City water).

Members suggested including additional groundwater in the interim to meet short-term water demands.

Members recommended defining portfolios at the beginning and end of the public meeting presentation.

Mr. Komiske thanked the Committee members for giving of their time and effort in this important planning process. Questions and comments from the meeting today will be incorporated into the upcoming public meeting.

The meeting adjourned at 1:25 p.m.